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THE COMING OF BETTER TIMES.

The period of depression, if not over, is fast passing away, and signs of awakening prosperity are on every hand. The great increase in the revenue, for the last three months, is the best proof of the revival of commerce. The increase in bank circulation and discounts, during the last month, is not less striking. The railways are doing a greatly increased business, and the revenue of some of them, notably the Grand Trunk, shows a very large augmentation. Sharing in the prosperity of the railways, the express companies are busier than at any previous time. The lumber trade is active and healthy, and probably more lumber will be got out this winter than ever before. Domestic manufactures are thriving, and as a consequence new ventures are being every day engaged in. There is one deplorable exception to this renewed activity. Our ship building interest continues depressed; and for it there is, in any case, only a moderate revival possible. Bankruptcies have fallen to one-third what they were a year ago, and suits for the recovery of debts are less frequent.

It would be very difficult to account fully for this welcome change in the condition of commerce and manufactures. The harvest of 1879 was not exceptionally good. But the revival of the lumber trade stands out as a great fact, which has had much to do with the improvement that has taken place. Stocks of imported goods had run low, and the deficiency had to be made good. The hopeful feeling which had gradually come to be entertained has been much strengthened by the announcement that the government has relieved the country of the burthen of a direct construction of the Pacific railway. And the conviction that the series of deficits in the revenue of the Dominion is at an end has an inspiring effect. It is not so much the changed condition of things that has actually occurred, as the future prospect that tends to make things pleasant.

When we see the import trade and domestic manufactures thriving side by side, it is impossible not to be convinced that, while manufactures have received encouragement, the revenue-producing feature of the tariff has been retained. Certainly, the tariff is not without blemishes of a serious nature, but as a means of producing revenue it is not ineffective. Mr. Tilley is now pretty well assured of a surplus at the end of the current year. That surplus may go far towards covering the deficit of last year. There seems to be no good reason for doubting that, under the present tariff, several new manufactures have got a start which they would not otherwise have made, and the result may, so far, be held to justify the experiment.

The increase in revenue comes in time to save the public credit, which will be further assisted by the transfer of the Pacific railway to a public company. The increased earnings of the railways will lighten the work of the syndicate in floating the Pacific scheme. People who had given up all hopes of Grand Trunk stock ever earning a dividend now begin to look on the future of this road with different eyes. The difficulty of the Grand Trunk, no doubt, is the large capital it has to carry. It is the almost uniform history of American railways that they pass out of the hands of the original proprietors, for a comparatively small part of their cost. No such crisis as this has been experienced by the Grand Trunk. It is still burthened with all the weight of the original capital, less the amount advanced by Government, subscribed and borrowed. The chance of paying a dividend on stock, after providing for the interest on the bonds, is still remote; but the recent rise in the selling price at least attests the belief in its existence. The transfer of the Toronto Grey & Bruce Railway to the Grand Trunk company will be a good thing for all interested. Under this arrangement the Toronto, Grey and Bruce will become more than a local road. The excellent harbour of Owen Sound will become one of the principal shipping ports for the Great North-West, and henceforth the development of the North-West will not be retarded by the slow progress of the railway, for Sir Charles Tupper has publicly stated as one condition of the bargain, that the syndicate has undertaken to carry the railway to the foot of the Rocky Mountains, in three years.

Released from the burthen of a direct construction of the Pacific railway the government will, in a measure, have its hands free to engage in other enterprises, plenty of which will be thrust upon its attention. But there will here be great need of caution. If we have got rid of the construction of the

Pacific railway, as a government work, we have by no means got rid of the cost. Besides the twenty-five millions to be paid in money, there is all the cost of the surveys and the work done up to the present time. It is true, we are told, that this will all ultimately come out of the land, and so it may, but this is by no means certain. The government is of course in duty bound to be courteous to deputations which approach it for the purpose of recommending this or that scheme of public improvement to its attention; but the Trent navigation improvement scheme scarcely deserved the compliment of another survey. The costly experience of the government, in its former attempt to improve this navigation, should, we think, have been sufficient. The Murray Bay canal is quite a different affair. There seem to be very good reasons why it should be built. The canal will be short and the cost not great. Besides, there stands to the credit of the concern a grant of public land, which, if not now legally binding, at least affords an argument in favor of the work.

The public debt is quite large enough for the population. It is nearly as large *per capita* as that of the United States, while our immediately available resources are much less. Besides, the States are paying off their debt, at a rate which has no example in the history of the world, while we are going the other way. And we are not within sight of any such means of relief. Even if the sale of the lands of the North-West should justify the anticipations of Sir John Macdonald, a long time must elapse before this happens. The government has laid upon it the duty of being careful how it engages in new public works of a costly character. The public finances, anyone may now see, will be all right with proper management; and careful and prudent management is the one thing now most indispensable at Ottawa.

Things are looking better for some of the Provinces, as well as for the Dominion and individuals. Quebec, which increased its debt faster than it was prudent, is likely to come out all right. There can be no doubt that it will have an opportunity of selling the North Shore railway; and this single transaction would suffice to put the finances in a sound condition. But, like the Dominion government, the government of Quebec will have need to exercise great caution in undertaking new public works. Individuals, too, in extending their enterprise, will have to see that they work on a firm foundation. Another period of inflation will assuredly come. From present appearances, it may be expected to recur with the decade, counting from the year 1873; and the next two years will lead up to it. So let every one, while making the best of opportunities,